



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

July 7, 2014

TO: Sachi A. Hamai
Executive Officer

FROM: Russ Guiney 
Director, Parks and Recreation

SUBJECT: **ENGINEER'S REPORT FOR FISCAL YEAR 2014-15
REGIONAL PARK AND OPEN SPACE DISTRICT**

In accordance with the Landscaping and Lighting Act of 1972 (Chapter 1, Article 4, commencing with Section 22565 of the California Streets and Highways Code) and Section 5539.9 of the California Public Resources Code, I am filing the annual Engineer's Report for the Los Angeles County Regional Park and Open Space District for Fiscal Year 2014-2015

If your staff has any questions, please contact Jane Beesley of my staff at (213) 738-2981.

RG:JB:ja:st

Attachment

c: Each Supervisor
Chief Executive Officer

ENGINEER'S REPORT
FOR
LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT
(LANDSCAPING AND LIGHTING DISTRICT NO. 92-1)
June 30, 2014

INTRODUCTION

On November 3, 1992, Los Angeles County voters approved Proposition A, the Safe Neighborhood Parks Proposition (1992 Proposition), for the purpose of providing \$540 million worth of park, recreation, and open space improvements throughout the County. The Proposition created the Los Angeles County Regional Park and Open Space District (Landscaping and Lighting District No. 92-1), (the District), and provided for the levy of a benefit assessment to fund the improvements.

On November 5, 1996, Los Angeles County voters approved Proposition A, the Safe Neighborhood Parks Proposition of 1996 (1996 Proposition), increasing the District's annual benefit assessment, amending the methodology of applying the assessment to each assessable parcel and authorizing an additional \$319 million worth of park, recreation, and open space improvements throughout the County.

On March 30, 1993, the Board of Supervisors, acting in its capacity as the governing body of the Los Angeles County Regional Park and Open Space District, designated the Director of the Department of Parks and Recreation as District Engineer.

RATE AND METHOD OF ASSESSMENT

The 1992 Proposition provided for the levy of a benefit assessment for 22 years (Fiscal Year 1993-94 through 2014-15) and set the maximum rate of the assessment at \$9.39 per benefit point. The 1996 Proposition provided for an assessment of \$5.07 per benefit point for 22 years (Fiscal Year 1997-98 through 2018-19), resulting in a combined total assessment of \$14.46 per benefit point for 18 years beginning in Fiscal Year 1997-98 and \$5.07 per benefit point for the last four years ending Fiscal Year 2018-19. Each parcel within the District is assigned benefit points based on the size and use of the parcel in accordance with formulas set forth in the Engineer's Report adopted on March 17, 1992, as part of the District's formation and modified in accordance with formulas set forth in the Final Engineer's Report, as amended and adopted on June 18, 1996. The number of benefit points allocated to a parcel is multiplied by the assessment rate to determine the benefit assessment for each parcel.

The Auditor-Controller of the County of Los Angeles generates the current year's net assessment on all assessable parcels. The Auditor-Controller's records are incorporated by reference herein and made part of this Report.

PLANS AND SPECIFICATIONS

A diagram of the District, including the general location of the improvements specified in the Propositions, is attached. Documents showing the general nature, location and description of all proposed improvements and their estimated costs are on file at the District's administrative headquarters, 510 South Vermont Avenue, Los Angeles, California 90020, and are included herein by reference.

ESTIMATED COST OF IMPROVEMENTS

The following is a summary of the cost of the improvements as provided in the Propositions, as well as inception-to-date expenditures on those improvements for Fiscal Year 2012-13, and estimated expenditures for Fiscal Years 2013-14 and 2014-15.

<u>Proposition A -1992</u>	Amount ¹ Included In Proposition	Inception To Date Expenditures 2012-13	Estd Actual Expenditures 2013-14	Estimated Expenditures 2014-15
Bond Funded Projects				
City Projects	\$241,739,832	\$239,764,033	\$0	\$1,975,799
County Projects	\$110,781,938	\$110,781,938	\$0	\$0
CSC/Others	\$7,868,058	\$7,868,058	\$0	\$0
Santa Monica Mtns. Conservancy	\$785,000	\$785,000	\$0	\$0
Competitive Grants	\$27,874,291	\$27,874,291	\$0	\$0
Subtotal	\$389,049,119	\$387,073,320	\$0	\$1,975,799
Assessment Funded Projects				
City Projects	\$45,756,879	\$35,693,447	\$2,552,759	\$7,510,673
County Projects	\$36,275,833	\$31,829,598	\$138,239	\$4,307,996
CSC/Others	\$13,617,460	\$13,199,460	\$0	\$418,000
Santa Monica Mtns. Conservancy	\$42,175,000	\$41,850,533	\$8,527	\$315,940
Competitive Grants/SMMC	\$13,125,709	\$7,574,947	\$469,649	\$5,081,113
Subtotal	\$150,950,881	\$130,147,985	\$3,169,174	\$17,633,722
Total Cost of 1992 Improvements	\$540,000,000	\$517,221,305	\$3,169,174	\$19,609,521
<u>Proposition A - 1996</u>				
Bond Funded Projects				
City Projects	\$86,811,779	\$86,811,779	\$0	\$0
County Projects	\$56,251,426	\$56,251,426	\$0	\$0
CSC/Others	\$12,155,000	\$12,155,000	\$0	\$0
Santa Monica Mtns. Conservancy	\$2,005,000	\$2,005,000	\$0	\$0
Competitive Grants	\$7,407,055	\$7,407,055	\$0	\$0
Subtotal	\$164,630,260	\$164,630,260	\$0	\$0
Assessment Funded Projects				
City Projects	\$50,447,895	\$40,079,170	\$2,023,077	\$5,141,975
County Projects	\$36,749,946	\$29,693,139	\$1,324,820	\$2,755,791
CSC/Others	\$19,432,027	\$8,507,027	\$1,479,801	\$10,100
Santa Monica Mtns. Conservancy	\$37,146,927	\$36,448,828	\$338,965	\$359,134
Competitive Grants/SMMC	\$10,592,945	\$5,154,809	\$0	\$1,282,956
Subtotal	\$154,369,740	\$119,882,973	\$5,166,663	\$9,549,956
Total Cost of 1996 Improvements	\$319,000,000	\$284,513,233	\$5,166,663	\$9,549,956
Total Cost of All Improvements	\$859,000,000	\$801,734,538	\$8,335,837	\$29,159,477

¹ Proposition amounts have been adjusted to reflect assignment of funds among agencies and payments either by bond or assessment funding.

DIAGRAM OF DISTRICT

The boundaries of the District are coterminous with the boundaries of the County of Los Angeles. The lines and dimensions for each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles, which support the tax roll for Fiscal Year 2014-15. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

ASSESSMENT OF COST OF IMPROVEMENTS

The District estimates that \$80,135,442 in assessments will be levied in Fiscal Year 2014-15. The following table includes the calculation of the total assessments levied and the estimated expenditure breakdown based on the requirements of the Propositions, approved project agreements, and the bond indenture. This breakdown includes only the assessments anticipated in Fiscal Year 2014-15 and does not include interest earned or carry-over balances from previous years.

<i>Assessment Calculation</i>	Estimated 2014-15
Total Benefit Points	5,568,357
Assessment Per Benefit Point	\$14.46
Total Assessments	\$80,518,442
Less Adjustment due to appeals & parcel enrollment losses	(\$383,000)
Net Assessments	\$80,135,442
<i>Assessment Expenditures</i>	
Estimated Delinquencies	\$2,029,029
Administration	\$3,905,321
Maintenance & Servicing Allocations	\$11,715,962
Debt Service Payments	\$390,317
Debt Service Payment Pledge-Oct. 2015	\$34,384,569
Future Assessment-Funded Projects and Reserves	\$27,710,244
Total Expenditures	\$80,135,442

BOND PRINCIPAL

The District sold its first series of bonds on May 12, 1994. Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 1994A, had a total principal value of \$176,650,000. In November 1997, the District issued Series 1997A bonds in the amount of \$510,185,000 to finance capital projects funded through both Propositions and to advance refund the Series 1994A bonds. The advance refunding amounted to \$174,969,622. In January 2005, the District issued series 2005A bonds amounting to \$181,220,000, refunding the portion of the 1997A series that did not cover the 1994A bond refund. The action saved the District more than \$3,000,000 in debt service. In February 2007, the District issued Series 2007A revenue bonds in the amount of \$94,315,000 refunding the balance of the 1997A outstanding bonds. Lower interest rates on the new series saved the District almost \$18,000,000 in debt services.

PARCELS ASSESSED

The estimated change in the total number of parcels assessed on the Assessor's tax roll for regular parcels is listed below:

Assessor's Regular Roll			
<u>Description</u>	Actual 2013-14	Estimated 2014-15	Change
Total Parcels	2,323,387	2,325,535	2,148
Exempt	(4,976)	(4,906)	70
Exceptions	(7,255)	(8,407)	(1,152)
Parcels Assessed	2,311,156	2,312,222	1,066

Summary of Assessable Parcels (By Use)			
<u>Description</u>	Actual 2013-14	Estimated 2014-15	Change
Single-Family Residential	1,777,347	1,780,293	2,946
Multi-Family Residential	242,403	242,617	214
Mobile Homes	2,425	2,453	28
Commercial/Industrial	139,720	139,485	(235)
Vacant	149,261	147,374	(1,887)
Parcels Assessed	2,311,156	2,312,222	1,066

FUNDING FOR 2014-15

The District anticipates generating \$81,079,156 in revenue during Fiscal Year 2014-15 from benefit assessments, collection of delinquent prior year assessments, interest on assessment collections, and penalties and penalty interest resulting from late payments. A complete accounting of both assessment and bond revenue is available in the section titled "Revenue and Expenses."

Revenue Source	Estimated 2014-15
Benefit Assessments	\$80,135,442
Less Anticipated Delinquencies 2.532%	(\$2,029,029)
Add Prior Year Assessment Collected	\$2,110,000
Interest Earned ¹	\$36,743
Penalties & Penalty Interest	\$826,000
Total Funds Generated	\$81,079,156

¹ Includes interest on assessment revenue fund only.

MAINTENANCE & SERVICING ALLOCATION

As required in both the 1992 and 1996 Propositions, the District annually sets aside a portion of the assessments collected for allocation among all eligible agencies to offset increases in maintenance and servicing costs resulting from the improvements funded through the District.

The amount set aside annually for maintenance and servicing is 15 percent of the assessments collected (including penalties, penalty interest and prior year delinquent assessments collected) less \$1,700,000, which is deducted from the City of Los Angeles' allocation and returned to the District for debt service in accordance with Section 23(b) of the 1992 Proposition and Section 23(b) of the 1996 Proposition.

The total maintenance and servicing funding available in any given year includes the fund balance from the previous year, the current fiscal year funding and interest earned on unclaimed allocations. These amounts for 2012-13, 2013-14, and 2014-15 are as follows:

	Actual Allocation 2012-13	Estimated Actual Allocation 2013-14	Estimated Allocation 2014-15
Beginning Fund Balance	\$49,776,937	\$46,468,691	\$46,016,204
Benefit Assessment	\$12,727,814	\$12,229,309	\$12,161,873
Interest ¹	\$294,011	\$0	\$0
Less Expenditures ²	(\$16,330,071)	(\$12,681,796)	(\$14,505,934)
Ending Fund Balance	\$46,468,691	\$46,016,204	\$43,672,143

¹Interest is redirected to project fund starting 2013-14.

²Includes the \$1,700,000 annual payments from City of Los Angeles maintenance and servicing allocation to debt service.

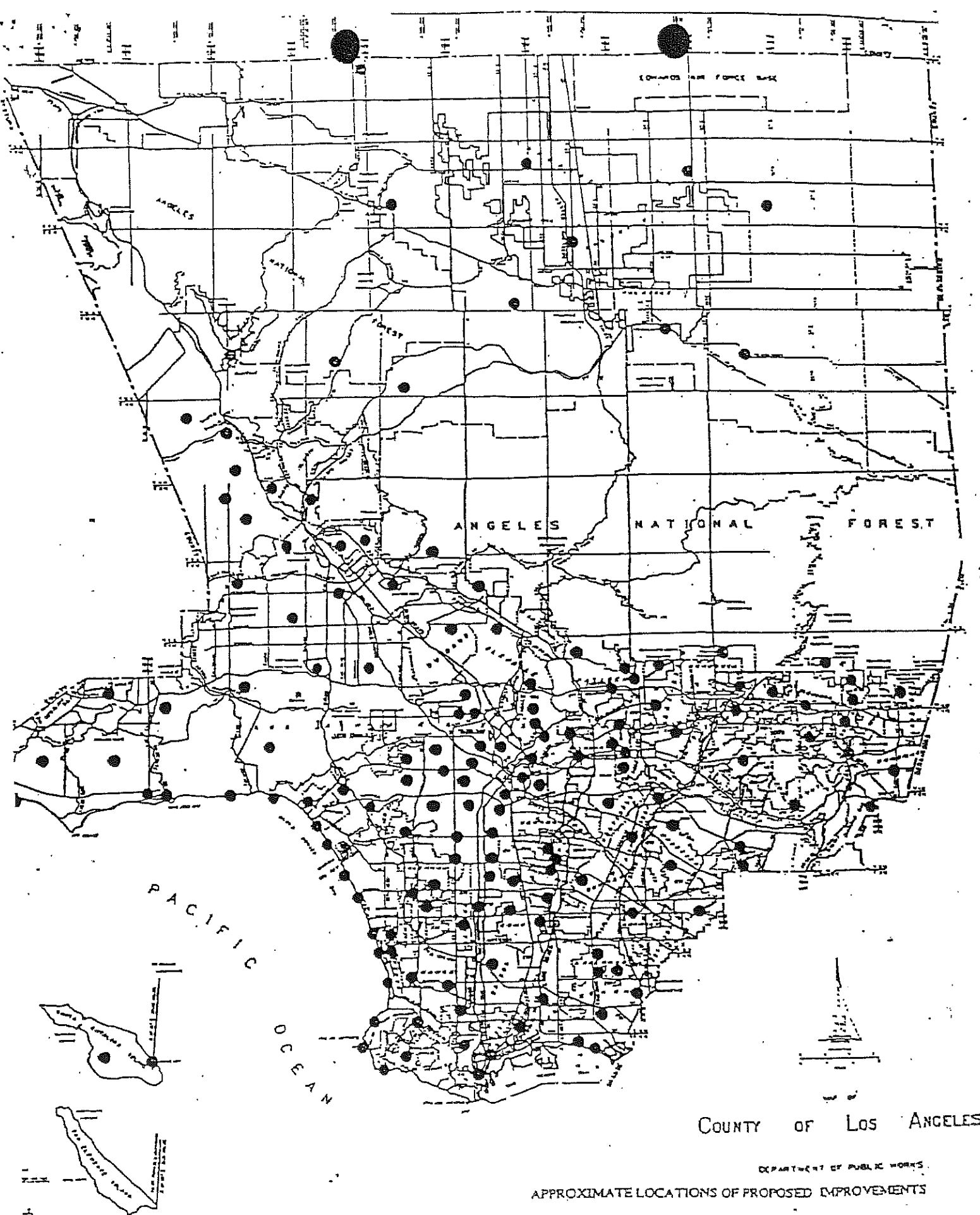
REVENUE & EXPENSES

The disposition of funds generated by the District is shown in the table below. This accounting has been compiled from County records, which are available for inspection at the District administrative headquarters, 510 South Vermont Avenue, Los Angeles, California 90020.

	Actual 2011-2012	Actual 2012-2013	Estimated Actual 2013-2014	Estimated 2014-2015
Assessment-Based Revenue				
Fund Balance from Prior Year	\$293,302,126	\$303,552,768	\$312,588,444	\$300,644,793
Prior Yr Debt Service Pledge	\$31,519,694	\$32,165,694	\$32,869,319	\$33,617,944
Assessments Collected	\$79,737,229	\$80,476,441	\$80,582,712	\$80,216,413
Penalties & Penalty Interest	\$713,326	\$807,981	\$814,737	\$826,000
Interest	\$3,084,127	\$2,178,183	\$1,357,817	\$1,620,994
Total	\$408,356,502	\$419,181,067	\$428,213,029	\$416,926,144
Assessment-Based Expenditures				
Administrative Costs Paid	\$5,109,639	\$4,771,456	\$6,248,537	\$6,899,000
Maintenance & Servicing Paid	\$14,246,085	\$14,630,071	\$10,981,796	\$12,805,934
Assessment-Funded Proj Costs	\$8,075,000	\$5,000,885	\$8,335,838	\$27,183,678
Excess Funded Project Costs	\$9,635,422	\$13,784,888	\$32,739,776	\$18,720,029
Debt Service Payments	\$35,830,388	\$35,780,013	\$35,752,263	\$35,732,513
Debt Service Pledge	\$31,907,200	\$32,625,310	\$33,510,026	\$34,242,211
Subtotal	\$104,803,734	\$106,592,623	\$127,568,236	\$135,583,365
Fund Balance	\$303,552,768	\$312,588,444	\$300,644,793	\$281,342,779
Total	\$408,356,502	\$419,181,067	\$428,213,029	\$416,926,144
Bond-Based Revenue				
Fund Balance From Prior Year	\$67,211	\$1,906,936	\$3,812,099	\$3,812,099
Bond Proceeds	\$0	\$0	\$0	\$0
Debt Service Reserve 2007A	\$0	\$0	\$0	\$0
Refunding Escrow Deposits	\$0	\$0	\$0	\$0
Premium on Bond	\$0	\$0	\$0	\$0
Interest on Bond Proceeds *	\$2,094,794	\$176,798	\$107,918	\$142,358
Total	\$2,162,005	\$2,083,734	\$3,920,017	\$3,954,457
Bond-Based Expenditures				
Debt Service Reserve 1997A	\$0	\$0	\$0	\$0
Debt Service Pledge	\$258,494	\$244,009	\$107,918	\$142,358
Cost of Issuance	\$0	\$0	\$0	\$0
Refunding Escrow Deposits	\$0	\$0	\$0	\$0
Bond-Funded Project Costs **	(\$3,425)	(\$1,972,374)	\$0	\$1,975,799
Subtotal	\$255,069	(1,728,365)	\$107,918	\$2,118,157
Fund Balance	\$1,906,936	\$3,812,099	\$3,812,099	\$1,836,300
Total	\$2,162,005	\$2,083,734	\$3,920,017	\$3,954,457

* 2011/12 Interest includes 1.8363M refund for Arbitrage Rebate Calculation from IRS.

** Credit to project costs represent refunds from cities for cancelled projects previously funded by bond proceeds.



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

APPROXIMATE LOCATIONS OF PROPOSED IMPROVEMENTS

Description of Improvements As amended June 18, 1996

